

Input 13. 07. 2016

Good morning

An interesting article on was published in New York Times by Paul Krugman «cheap money talks».
http://www.nytimes.com/2016/07/11/opinion/cheap-money-talks.html?_r=0

Despite the Brexit shock and rumours & speculations around the italian banking system markets did start to recover, and so does the GBP gradually, based on the news, that Mrs Theresa May is taking over as first female PM in 26 years.

German companies continue to deliver solid returns and based on our factfinding with managements and local economits and investment professiionals the outlook is positive.

In Japan PM Abe did introduce another stimulus program with the promise support the local economy. NINTENDO seems to be back versus SONY. To me it's a classical example of how a stockprice is being boosted on projected earnings, in this case related to the popularity of https://en.wikipedia.org/wiki/Pokémon_Go ; the value surged by USD 7 billions on this news. With our investment into **YUKI JAPAN REBOUNING GROWTH FUND** we feel most confident.

The upcoming US election's outcome is difficult to tell. Nevertheless we see good corporate results, and record low jobless rates could result into further positive development of constructive consumer behaviour. Healthcare and technology stocks are offering attractive valuations.

A high demand of SUV's in China did give car sales a lift, <http://www.bloomberg.com/news/articles/2016-07-08/china-auto-sales-grow-at-faster-pace-on-suv-electric-car-demand>
This fact does reflect to us, that middle class of a 1.4 billion population is on the move. Organic growth for goods & services will remain superior in comparison to Western economies. This pattern does also apply for smaller economies as Vietnam, where we expect a strong potential and rising stock prices.

We continue to question why investors in the present environement should lend money to governements at rates of close & below zero percent, especially if at present there are good alternatives with dividend generating equity. The sustainable value principles of Benjamin Graham, https://en.wikipedia.org/wiki/The_Intelligent_Investor, are key for our investment strategy and therefore we stay focussed on our single stock selection based approach. Despite a temporary negative yield it is never wrong to integrate/hold some strategic cash though.

With respect to the currency allocation we ongoingly suggest to underweight CHF and remain in opposite positive for EUR and USD.

JACOT

May we refer to our updated website www.jimag.ch, where we offer access to
> our investments track records on our daily tradeable strategies **CALANCA, CRISTALINA, VERDE SPLUGA**
and SAN BERNADINO
> and soon to come the historical mailings, respectively our comments and references to developments of
global markets.

Please do not hesitate to contacting us in order to share your personal view and reflections.

Best summer-wishes

Bjoern